



Press Release

Sayyam Investments Private Limited

April 08, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Proposed Long Term Bank Facilities	100.00	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	-	Rating Assigned	Simple
Total	100.00 (Rupees One Hundred Crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its rating to the Bank facilities of Sayyam Investments Private Limited (SIPL) based on the improved earnings profile, strong capitalization and tech-driven business model. However, rating strengths are partially offset by Inherent risk in asset quality and intense competition in NBFC segment.

Infomerics Ratings expects outlook to remain stable on account of expected growth in asset under management (AUM) on the back of strong capitalisation.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained scaling up of its operations while maintaining asset quality (write-offs against disbursements), comfortable capital position, liquidity and profitability.

Downward Factors

- Substantial deterioration in operations impacting capital position, liquidity, and profitability.



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- Any adverse movements in collection efficiency impacting the asset quality of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strong capitalisation**

SIPL's capitalisation profile remains strong marked by total CRAR which stood at 52.76% in 9MFY25 (FY24: 55.01%) which is well above regulatory requirements supported by healthy internal accruals. In FY24, tangible net worth improved to Rs.96.08 crore (FY23: 16.47 Crore). In 9MFY25, net worth further improved to Rs.276.32 crore due to improved profits on the back of higher disbursements and improved scale of operations.

- **Improved earnings profile**

SIPL's earnings profile is primarily supported by income derived from processing and other upfront fees, in addition to interest income. The company has witnessed a significant improvement in its earnings, with Net Interest Income (NII) growing substantially in FY24 (refers to the period from 1 April 2023 to 31 March 2024), reaching Rs. 14.68 crore (compared to Rs. 5.11 crore in FY23), driven by a substantial increase in its Assets Under Management (AUM), which rose to Rs. 152.55 crore (FY23: Rs. 30.58 crore). Furthermore, in 9MFY25, the AUM expanded to Rs. 501.18 crore. Given the short tenor of its loans, the disbursements, which are 6.7 times of the AUM as of March 31, 2024, the company generates a majority of its income through processing fees rather than interest income. Processing fees for FY24 amounted to Rs. 219.55 crore, while interest income stood at Rs. 17.95 crore. Despite a decline in its Net Interest Margin (NIM), which decreased to 13.70% in FY24 (FY23: 18.09%), the margin remains healthy, reflecting the impact of higher capital costs.

- **Viable technology-based business model**

SIPL provides unsecured loan direct to their customers through PayRupik app. The organization boasts a fully automated digital lending framework, with loan application



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and disbursements conducted via an interactive, user friendly app enabling borrowers to request loans. This supports the entity's ability to scale up its portfolio with limited incremental investment, as well as be present across locations in the country. Given the branchless mode of operations, SIPL has achieved presence in 28 states and 5 Union Territories (UTs).

Key Rating Weaknesses

- **Inherent risks in asset quality**

The company has an aggressive write-off policy and given the short tenor of loans; the loans are classified as NPAs post 90 days and since ~99% of loans have a tenor of 90 days or lower; the company has nil NPAs. However, SIPL has written-off loans worth of Rs.79.30 Crore (7.75% of disbursements) and Rs.31.41 crore (12.8% of disbursements) in FY24 and FY23 respectively. Further, in 9MFY25 company has written off approximately Rs.210 crore against disbursements of Rs.3050 crore in same period. Additionally, the quality of assets is susceptible to profile of borrowers, which primarily includes clientele from tier 2 and 3 cities. However, company refrains from providing loans to individuals with CIBIL score lower than 600. Further, in FY24 ratio of salaried to self-employed borrowers stood at 32:68.

Going forward, the ability of the company to improve and control credit costs amidst growing AUM will remain key rating monitorable.

- **Competition in NBFC Segment**

The NBFC industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position as has been seen during the pandemic, demonetization and general elections held in FY25 coupled with severe competition by other NBFCs and Banks. The lending industry focused on small ticket loans is highly fragmented with unorganized lenders also vying for the same set of borrowers.

Analytical Approach: Standalone



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Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios and Interpretation \(Financial Sector\)](#)

[Criteria for assigning Rating Outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

Liquidity of SIPL remains adequate with positive cumulative mismatches across various buckets as per the ALM profile dated December 31, 2024. SIPL is strongly capitalised with total CRAR of 52.76% and Tangible net worth stood of Rs.276.32 crore as on 9MFY25.

About the Company

SIPL, established in 2012, is registered as a non-deposit taking NBFC; it received the Reserve Bank of India certification in fiscal 2014. The company was engaged in the traditional lending business from fiscals 2014 to 2020. In 2021, it developed an app-based product, PayRupik, to assist the public with their financial needs. The app uses technology to provide quick and hassle free short-term loans online on the mobile phone. The company is currently located in Bangalore.

Financials (Standalone):

For the year ended* / As on	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Income	59.24	244.86
PAT	5.41	79.41
Tangible Net worth	16.47	96.08
Total Assets/AUM	30.59	152.55
Ratios		
NIM (%)	18.09	13.70
ROTA (%)	23.29	98.99
Interest Coverage (times)	14.48	33.40
Total CAR (%)	54.12	55.01
Gross NPA [Stage III] (%)	0.00	0.00



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For the year ended* / As on	31-03-2023	31-03-2024
Net NPA [Stage III] (%)	0.00	0.00

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				-		-	-
1.	Proposed Long Term Bank Facilities – Term Loan	Long Term	100.00	IVR BBB- / Stable	-	-	-

Analytical Contacts:

Name: Sree Harsha	Name: Amey Joshi
Tel: (022) 62396023	Tel: (022) 62396023
Email: sree.harsha@infomerics.com	Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Proposed Bank Facilities- Term Loan	-	-	-	-	100.00	-	IVR BBB- / Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-sayyam-investments-apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.